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Canadian Curtiss · Wright,

Limited



1963 ANNUAL REPORT

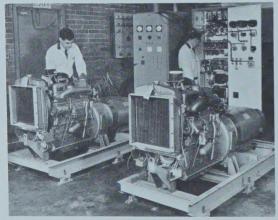
for the year ended December 31.

Canadian Curtiss Wright, Limited

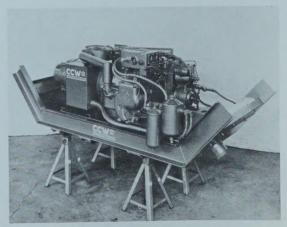


MADE IN CANADA. The complete line of service station equipment, manufactured by our subsidiary at the Midland, Ontario Plant, as displayed at the 1964 Automotive Service Show.

Diversified Products for an Expanding Economy



"NO-BREAK" POWER. Typical installation for Canadian telecommunication systems in final test at the Canadian Curtiss-Wright Plant in Toronto.



UNDER-CAR POWER UNIT. Canadian National Railways has selected our 12.5 kilowatt equipment to supply electricity for cooking and refrigeration.

To The Shareholders of Canadian Curtiss-Wright, Limited:

The year 1963 was a period of integration for our Company which produced consolidated sales of \$6,627,373. This resulted in a before-tax profit of \$77,933, which compares with \$26,569 for the previous year. Net profits after taxes for 1963 were \$28,256 compared with \$23,069 for the preceding year, when we had the benefit of a larger tax loss carry forward.

Early in the year, the operations of The Midland Foundry and Machine Company Limited, which was partially acquired in 1962, were integrated with Canadian Curtiss-Wright, Limited. This included the closing of the Toronto facility operated by Midland, with its industrial products being combined into the Canadian Curtiss-Wright operation in Toronto. The automotive products formerly produced by Midland at its Toronto facility were transferred to the main plant at Midland, Ontario. During the year, Midland manufacturing equipment and processes were updated and administrative cost controls introduced.

These transition programs proved costly and reduced the profits which we otherwise could have achieved.

It is anticipated that reductions in Midland manufacturing, administrative and marketing costs and expected sales increases in 1964 will result in improved performance. The addition of the former Midland industrial products to the manufacturing operations in Toronto is expected to improve the profitability of that phase of the business.

During the course of the year, your Company secured new sales agencies for a number of new product lines. Significant among these are: United States Motors Corporation, Oshkosh, Wisconsin—"No-Break" Generating Equipment; A. E. C. Limited, Southall, England—Marine and Industrial Engines; and Belling & Lee Ltd., Enfield, England—Electronic Components.

Just before the year end, an order in excess of one and one-half million dollars was secured from Canadair Limited for the engineering and manufacture of two prototype aircraft sets of propellers, gear boxes and transmission systems for the CL-84 Vertical Take-Off Aircraft. The engineering and major manufacture will be performed by the Curtiss Division of the Curtiss-Wright Corporation, with Canadian industry being utilized for manufacture of tooling and some components.

The Company sustained a grievous loss as the result of the unfortunate death of The Honourable Duncan K. MacTavish, Q.C., who had been a member of its Board of Directors and who had served so capably and devotedly for many years. Mr. Tom Lawson, of London, Ontario, was appointed to fill the vacancy.

Our appreciation is extended for the devoted and untiring efforts of all employees.

WILLIAM J/MANN

President

JOHN B. MORRIS

Chairman of the Board

Canadian Curtiss-Wright, Limited and Its Subsidiaries (Incorporated under the laws of Ontario)



ASSETS

Current Assets	
Cash	
Accounts receivable, less provision	
for doubtful accounts of \$24,443 1,200,034	
Inventories—at the lower of cost or market	
Prepaid expenses 16,679	2,532,655
Fixed Assets	
Land, buildings, equipment and	
leasehold improvements—at cost	
Accumulated depreciation 129,241	190,668
Sundry Investments—at cost	42,625
Franchises, Trademarks, Patents and	
Patent Development—at cost, less amounts written off	235,044
Goodwill—at cost	31,260
	\$3,032,252

APPROVED ON BEHALF OF THE BOARD

JOHN B. MORRIS | DIRECTORS

Auditors' Report to the Shareholders

We have examined the consolidated balance sheet of Canadian Curtiss-Wright, Limited and its subsidiaries as at December 31, 1963 and the related consolidated statement of earnings and retained earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

NCE SHEET AS AT DECEMBER 31, 1963

LIABILITIES

Current Liabilities

Accounts payable and accrued liabilities	\$381,052	1
Provision for income taxes	52,269	
Due to parent company	944,706	1,378,027

Shareholders' Equity

Capital stock — Authorized -5,000,000 shares without par value (Note 2) Issued and fully paid— 4,347,730 shares (400,000 shares issued during the year as part consideration for the shares of a subsidiary)..... 1,495,608 Retained earnings 1,654,225 158,617

NOTES-

- 1. Current assets and liabilities in U.S. funds have been converted to Canadian funds at the December 31, 1963 rate of exchange.
- 2. 100,000 shares of the authorized capital stock have been set aside for the purpose of granting stock options to employees. Options have been granted to purchase 15,000 shares on or before December 31, 1965 at \$1.10 per share, and 12,000 shares on or before May 2, 1967 at \$1.15 per share.
- 3. Contingent liabilities at December 31, 1963 under guarantees and claims amounted to approximately \$43,000.
- The provision for income taxes which has been charged in arriving at the net profit for the year has been reduced by \$53,000 on the application of prior years' losses of the parent company. The 1963 loss of a subsidiary cannot be offset against the profits of the parent company for income tax purposes.

In our opinion, the accompanying consolidated balance sheet and consolidated statement of earnings and retained earnings, with the notes thereto, present fairly the consolidated financial position of Canadian Curtiss-Wright, Limited and its subsidiaries as at December 31, 1963 and the consolidated results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

\$3,032,252

CHARTERED ACCOUNTANTS Toronto, February 3, 1964



and Its Subsidiaries

Consolidated Statement of Earnings and Retained Earnings

for the Year Ended December 31, 1963

Sales		\$6,627,373
Cost of sales (including depreciation of \$22,651)		5,697,666
		929,707
Expenses		
Selling, general and administrative,		
and financial (including depreciation of		
\$23,905 and directors' fees of \$2,200)	839,825	
Franchises and patents written off	37,042	
	876,867	
Less: Other income	25,093	851,774
		77,933
Provision for income taxes (Note 4)		49,677
NT-1 Ct C tl		00.056
Net profit for the year		28,256
Retained earnings—December 31, 1962		130,361
Retained earnings—December 31, 1963		\$ 158,617

Canadian Curtiss Wright, Limited

General Office: 518 Evans Avenue, Toronto 14, Ontario

DIRECTORS

JAMES G. BYRON

Vice-President
Curtiss-Wright Corporation,
Wood-Ridge, N.J., U.S.A.

JACK PEMBROKE

Chairman of the Board
The Royal Trust Company,
Montreal, P.Q.

SAM D. IRWIN

Senior Consultant on International
Marketing
Curtiss-Wright Corporation,
Wood-Ridge, N.J., U.S.A.

TOM F. G. LAWSON

President

Lawson & Jones Limited,

London, Ontario.

ANDREW S. HAZELTON

Corporate Controller Curtiss-Wright Corporation, Wood-Ridge, N.J., U.S.A.

WILLIAM J. MANN

President
Canadian Curtiss-Wright, Limited,
Toronto, Ontario.

JOHN B. MORRIS

Vice-President
Curtiss-Wright Corporation,
Wood-Ridge, N.J., U.S.A.

OFFICERS

JOHN B. MORRIS
Chairman of the Board

CHARLES F. SCOTT

Secretary

WILLIAM J. MANN
President

LEONARD W. NATTHEN
Assistant Treasurer

Frank H. MILLER
Treasurer

FRANCIS E. FALLON
Assistant Secretary

Transfer Agent and Registrar: The Canada Trust Company, 110 Yonge Street, Toronto 1, Ontario.

Corporate Counsel: Gowling, MacTavish, Osborne & Henderson, 116 Albert Street, Ottawa 4, Ontario.

